

COASTAL CONSERVANCY

Staff Recommendation

April 27, 2006

SOUTH BAY SALT POND RESTORATION PLANNING

File No. 02-070

Project Manager: Brenda Buxton

RECOMMENDED ACTION: Authorization to disburse 1) up to \$261,000 to the San Francisco Estuary Institute and 2) up to \$50,000 to the Point Reyes Bird Observatory to undertake work associated with the South Bay Salt Pond Restoration Project and the South San Francisco Bay Shoreline Study.

LOCATION: San Francisco Bay, south of the San Mateo Bridge, in Alameda, Santa Clara, and San Mateo Counties.

PROGRAM CATEGORY: San Francisco Bay Area Conservancy

EXHIBITS

Exhibit 1: Project Location and Site Map

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31000 *et seq.* of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes the disbursement of 1) up to \$261,000 (including \$17,620 from funds authorized on January 23, 2003 and \$182,380 from funds authorized on March 25, 2004 for the South Bay Salt Pond Restoration Planning; and \$61,000 from funds authorized on September 8, 2005 for the South San Francisco Shoreline Study) to the San Francisco Estuary Institute to manage a database and web site related to wetlands restoration work in the South San Francisco Bay including a web site for the South San Francisco Bay Shoreline Study; and 2) up to \$50,000 from funds authorized on September 8, 2005 to the Point Reyes Bird Observatory for additional habitat modeling required as part of the South San Francisco Bay Shoreline Study.”

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed authorization is consistent with Public Resources Code Sections 31160 et seq., regarding the Conservancy's mandate to address the resource goals of the San Francisco Bay Area, and with the Project Selection Criteria and Guidelines adopted by the Conservancy on January 24, 2001, as determined in the Conservancy funding authorizations of January 23, 2003, March 25, 2004, and September 8, 2005.
2. The San Francisco Estuary Institute and Point Reyes Bird Observatory, respectively, are nonprofit organizations existing under Section 501(c)(3) of the U.S. Internal Revenue Code, whose purposes are consistent with Division 21 of the Public Resources Code."

PROJECT SUMMARY:

The proposed authorization would 1) provide up to \$ 261,000 to the San Francisco Estuary Institute for two years of managing data collected as part of the South Bay Salt Pond Restoration Project, principally in a Geographic Information System ("GIS"), hosting and managing the South Bay Salt Ponds web site, (www.southbayrestoration.org), as well as creating and managing a new web site for the South San Francisco Bay Shoreline Study (www.southbayshoreline.org) and 2) provide up to \$50,000 to the Point Reyes Bird Observatory (PRBO) for habitat modeling work required to complete the Shoreline Study. Both of these grants will use funds that the Conservancy previously authorized for work associated with the Salt Pond Restoration Planning and/or the South San Francisco Bay Shoreline Study (the "Shoreline Study").

Since 2003, SFEI has managed a website for the Salt Ponds project, keeping it updated with project information, meeting dates and minutes, and related reports. SFEI also developed and manages an internal GIS that contains project data and is accessible to project team members and consultants who are developing and analyzing project alternatives. This GIS serves as the central repository of data for both the Salt Pond project and Shoreline Study. In 2005, SFEI created an interactive GIS containing some of the project data to provide information about the south bay to the general public (www.southbayrestoration.org/interactivemap). Recently, SFEI created a separate website for the Shoreline Study to provide similar public notification and information services as the Salt Pond web site. SFEI is a nonprofit organization whose mission is to foster development of the scientific understanding needed to protect and enhance the San Francisco Estuary through research, monitoring and communication. SFEI's staff of wetlands scientists and information specialists is well suited to manage the GIS databases and web sites for the South Bay Salt Pond project and the Shoreline Study.

As part of the South Bay Salt Pond planning effort, the Conservancy granted PRBO \$200,000 on October 23, 2003, to create a model to predict and evaluate the impacts of wetland restoration alternatives on bird species that use salt pond and tidal marsh habitats. This work is underway and will be completed by mid-2006. Similar modeling is required for the Shoreline Study as part of the U.S. Army Corps of Engineers' cost-benefit analysis of ecosystem restoration. This grant will allow PRBO to use its experience and familiarity with habitat modeling, in general, and the Salt Pond Restoration project, in particular, to quantify the benefits of restoration alternatives for determining which alternative provides the greatest habitat value for the implementation cost, based on federal criteria. PRBO is exceptionally qualified to undertake this work. A staff of

nearly 120 biologists studies birds to protect and enhance biodiversity in marine, terrestrial and wetland systems in western North America. Working on bird modeling for the Shoreline Study will further PRBO's mission to protect birds and their habitats through innovative scientific research and outreach.

Site Description: The entire South Bay salt pond complex is spread over an area of approximately 26,000 acres. Salt ponds surround nearly the entire Bay south of the San Mateo Bridge (Exhibit 1), on lands that were formerly tidal marsh. An estimated 85 percent of the historic tidal marshes in the San Francisco Bay-Delta Estuary have been filled or significantly altered over the past two centuries for urban development, agriculture, and salt production. Although dramatically different than 150 years ago, the South Bay's wetland habitats, including the salt ponds, tidal marshes, sloughs, mudflats, and open bay, are used by large populations of waterfowl and shorebirds, by harbor seals, and by a number of threatened and endangered species, including the California clapper rail, California black rail, California brown pelican, California least tern, western snowy plover, salt marsh harvest mouse, and steelhead trout.

Project History: Negotiations headed by Senator Dianne Feinstein led to the signing of a framework agreement in May 2002 for public acquisition of 15,100 acres of these South Bay salt ponds, along with 1,400 acres of crystallizer ponds along the Napa River. In March 2003, the Salt Ponds were acquired with \$72 million from the WCB, \$8 million from FWS, and \$20 million from the Goldman Fund, Hewlett Foundation, Moore Foundation, and Packard Foundation.

FWS and DFG have taken ownership of the properties and are actively managing the ponds according to the management goals set forth in the Initial Stewardship Plan. Cargill continues to manage a small number of ponds while phasing out its salt-making operations.

While the ponds are being managed under the Initial Stewardship Plan, the Conservancy, FWS, and DFG are charged with developing a long-term restoration plan. In August 2002, the Conservancy authorized \$500,000 in funding for this project; in January 2003, the Conservancy authorized an additional \$2,000,000; in October 2003, the Conservancy authorized \$200,000, and in March and December of 2004, the Conservancy authorized \$3,000,000 and \$2,000,000, respectively, in funding to be reimbursed by the Wildlife Conservation Board. In September of 2005, the Conservancy authorized an additional \$3,000,000. All of the \$9.7 million authorized to date have been or soon will be encumbered in grant agreements, interagency agreements, or contracts to complete the necessary scientific research, technical analysis, environmental impact assessment, and public outreach.

Part of the September 2005 authorization, \$1 million was designated as the Conservancy's contribution to the Shoreline Study – a federal study undertaken by the U.S. Army Corps of Engineers with the Coastal Conservancy and the Santa Clara Valley Water District as the local sponsors. The federal cost-share agreement between all three agencies was signed last fall and work has commenced. This Study will facilitate the restoration of the South Bay Salt Ponds by completing the required analysis for the U.S. Army Corps of Engineers to cost-share significant portions of future environmental restoration, public access, and tidal and creek flood protection projects identified in the South Bay Salt Pond Restoration Plan.

PROJECT FINANCING:

San Francisco Estuary Institute	\$261,000
Pt. Reyes Bird Observatory	\$50,000
Total Coastal Conservancy Project Cost	\$311,000

In September 2005, the Conservancy authorized funding for work associated with the South Bay Salt Pond project, including the Shoreline Study, from the Conservancy's FY 04-05 budget appropriation for the San Francisco Bay Area Conservancy Program from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Proposition 50) which can be used for coastal watershed protection pursuant to Chapter 4.5 of Division 21 of the Public Resources Code. The \$61,000 of the grant to SFEI and \$50,000 grant to PRBO would utilize a portion of the \$1 million directed to the Shoreline Study in the September 2005 authorization. \$182,380 of the grant to SFEI would come from funding the Wildlife Conservation Board has provided to the Conservancy from the "Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002" (Proposition 50), which can be used for coastal wetlands identified for acquisition, protection, and restoration in the *San Francisco Baylands Ecosystem Habitat Goals Report* within the nine-county San Francisco Bay area described in Public Resources Code Section 31162. The Conservancy authorized disbursement of these funds for work related to the South Bay Salt Pond Restoration planning on March 25, 2004. The remaining funds for the grant to SFEI, \$17,620, would come from the Conservancy's January 23, 2003 authorization for South Bay Salt Pond Restoration planning which used FY 02/03 appropriations for the San Francisco Bay Area Conservancy Program from the California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Fund (Proposition 40).

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The projects conducted under this authorization would be undertaken pursuant to Chapter 4.5 of the Conservancy's enabling legislation, Public Resources Code Sections 31160-31163, to address resource goals in the San Francisco Bay Area.

On January 23, 2003 and September 8, 2005, the Conservancy authorized the disbursement of \$2 million and \$3 million, respectively, for technical studies, planning data collection and other work associated with the South Bay Salt Pond Restoration planning effort, consistent with the goals, purposes, and criteria of Chapter 4.5 of Division 21. On March 25, 2004, the Conservancy also authorized the disbursement of \$3 million of funding provided by Wildlife Conservation Board for work associated with the South Bay Salt Pond Restoration planning. In these actions, Conservancy determined that the proposed South Bay Salt Pond restoration planning and the Shoreline Study work are consistent with Chapter 4.5.

This grant would utilize a portion of the total funds authorized to further these efforts, and would specifically implement Sections 31162(b), to achieve the goal of protecting, restoring, and enhancing natural habitats watersheds and open space resources of regional importance and 31163(c), directing the Conservancy to participate in and support interagency actions and public/private partnerships in the San Francisco Bay Area to implement long-term resources goals. The Conservancy is specifically authorized in Section 31162 to award grants that help achieve these goals.

**CONSISTENCY WITH CONSERVANCY'S
STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):**

Consistent with **Goal 10 Objective B** of the Conservancy's Strategic Plan, the proposed Salt Pond project would help the Conservancy develop plans for approximately 15,000 acres of wetlands in the Bay.

**CONSISTENCY WITH CONSERVANCY'S
PROJECT SELECTION CRITERIA & GUIDELINES:**

In its funding authorization of January 2003, March 2004, and September 2005, the Conservancy found the South Bay Salt Pond restoration planning and Shoreline Study projects to be consistent with the Conservancy's Project Selection Criteria and Guidelines adopted January 24, 2001.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

The South Bay salt ponds are within the permit jurisdiction of the San Francisco Bay Conservation and Development Commission (BCDC). The proposed projects are considered project planning and exempt from permit requirements.

The projects are consistent with the following policies of BCDC's San Francisco Bay Plan:

Part III: The Bay as a Resource

Water Quality

- To the greatest extent feasible, the Bay marshes, mudflats, and water surface area and volume should be maintained and, whenever possible, increased.

Water Surface Area and Volume

- Water circulation in the Bay should be maintained, and improved as much as possible.

Marshes and Mudflats

- To offset possible additional losses of marshes due to necessary filling and to augment the present marshes: (a) former marshes should be restored when possible through removal of existing dikes; (b) in areas selected on the basis of competent ecological study, some new marshes should be created through carefully placed lifts of dredged spoils; and (c) the quality of existing marshes should be improved by appropriate measures whenever possible.

COMPLIANCE WITH CEQA:

In its funding authorizations of January 23, 2003, March 24, 2004 and September 8, 2005, the Conservancy determined that the use of these funds for planning, data collection, and other work associated with the restoration planning to be statutorily exempt from CEQA under 14 California Code of Regulations Section 15262 which exempts feasibility and planning activities. Similarly, 14 Cal. Code of Regulations Section 15306 exempts basic data collection, research, and resource-evaluation activities which do not result in a serious or major disturbance to an environmental resource. The use of a portion of these funds for the SFEI or PRBO grant does not alter that conclusion.